Privatisation of VSNL

382. SHRI NILOTPAL BASU: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government are disinvesting Government shares upto 26 percent in VSNL;

(b) if so, the considerations for privatising a profit making PSU;

(c) whether, lack of growth of ISP business of VSNL as compared to private ISPs was considered;

(d) whether Government are aware that lack of growth was largely due to non-granting of ISP licence to VSNL beyond few service areas;

(e) whether it is a fact that price of VSNL shares came down 'meteorically' after preponement of ending its monopoly over international voice telephony; and

(f) if so, whether it was anticipated and any peremptory action attempted;

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (d) As per stated policy of Government, in non-strategic sectors the Government equity is to be brought down to 26% or below. Government have, after considering all aspects, decided in principle, in February 2001, to retain 26% equity of VSNL and to disinvest the rest.

(e) The downward slide in the price of VSNL shares was mainly on account of decline in overall Sensex and the Government announcement on preponement of withdrawal of monopoly on International Telephony Business.

(f) Yes, Sir. The Government had announced compensation packages for VSNL simultaneous with announcement of preponement of VSNL's monopoly.

Transparency in disinvestment of public sector companies

383. SHRI RAVI SHANKAR PRASAD: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have formulated any mechanism to ensure transparency while disinvesting any public sector company;

(b) if so, the details and the norms thereof; and

(c) what precaution Government have taken to ensure compliance of the norms, if any, and its expeditious disposal?